

ASSEMBLY BILL

No. 1748

Introduced by Assembly Member Fong

February 17, 2012

An act to amend Section 81378.1 of the Education Code, relating to community colleges.

LEGISLATIVE COUNSEL'S DIGEST

AB 1748, as introduced, Fong. California Community Colleges: fair market value of leases.

Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the segments of public postsecondary education in this state. Existing law establishes community college districts, administered by a governing board, throughout the state. Existing law authorizes the governing board of a community college district to let in the name of the district specified property not needed for academic activities, and prohibits the fair market value of that lease from exceeding \$25,000 per year, as certified by the governing board.

This bill would remove the requirement that the lease not exceed \$25,000 per year.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 81378.1 of the Education Code is
2 amended to read:

1 81378.1. (a) The governing board of a community college
2 district may, without complying with any other provision of this
3 article, let in the name of the district any buildings, grounds, or
4 space therein, together with any personal property located thereon,
5 not needed for academic activities, upon the terms and conditions
6 agreed upon by the governing board and the lessee for a period of
7 more than five days but less than five years, as determined by the
8 governing board. ~~The fair market value of the lease of any~~
9 ~~buildings, grounds, or space therein, together with any personal~~
10 ~~property located thereon, let pursuant to this section shall not~~
11 ~~exceed twenty-five thousand dollars (\$25,000) per year, as certified~~
12 ~~by the governing board. Prior to~~ *Before* executing the lease, the
13 governing board shall include in an agenda of a meeting of the
14 board open to the public a description of the proposed lease and
15 an explanation of the methodology used to establish the lease rate
16 and for determining the fair market value of the lease.

17 (b) The governing board shall give public notice ~~prior to~~ *before*
18 taking any action pursuant to subdivision (a). The notice shall
19 include a description of the governing board's intended action.
20 The notice shall be printed once a week for three successive weeks
21 prior to the board meeting described in subdivision (a) in a
22 newspaper of general circulation that is published at least once a
23 week.

24 (c) The governing board shall include, as a condition in any
25 agreement to let any buildings, grounds, or space therein, together
26 with any personal property located thereon, a provision that the
27 agreement shall be subject to renegotiation and may be rescinded
28 after 60 days' notice to the lessee if the governing board determines
29 at any time during the term of the agreement that the buildings,
30 grounds, or space therein subject to the agreement are needed for
31 academic activities. Any revenue derived pursuant to the agreement
32 shall be retained for the exclusive use of the community college
33 district whose buildings, grounds, or space therein are the basis of
34 the agreement and shall be used to supplement, but not supplant,
35 any state funding. Any buildings, grounds, or space therein, let by
36 the district shall be included as space actually available for use by
37 the college in any calculations related to any plan for capital
38 construction submitted to the board of governors pursuant to
39 Chapter 4 (commencing with Section 81800), or any other law.

- 1 (d) The authority of a governing board under this section does
2 not apply to the letting of an entire campus.
- 3 (e) The use of any buildings, grounds, or space therein, together
4 with any personal property located thereon, let by the governing
5 board pursuant to this section shall be consistent with all applicable
6 zoning ordinances and regulations.

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